

STATE OF SOUTH CAROLINA

(Caption of Case)

Application of Southern Digital Network, Inc. d/b/a
FDN Communications and NuVox Communications,
Inc. for Approval of an Internal Corporate
Reorganization

BEFORE THE
PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA

COVER SHEET

DOCKET
NUMBER: 2007 - 360 - C

(Please type or print)

Submitted by: John J. Pringle, Jr.

Address: Ellis, Lawhorne & Sims, PA

PO Box 2285

Columbia SC 29202

SC Bar Number: 11208

Telephone: 803-343-1270

Fax: 803-799-8479

Other:

Email: jpringle@ellislawhorne.com

NOTE: The cover sheet and information contained herein neither replaces nor supplements the filing and service of pleadings or other papers as required by law. This form is required for use by the Public Service Commission of South Carolina for the purpose of docketing and must be filled out completely.

DOCKETING INFORMATION (Check all that apply)

☐ Emergency Relief demanded in petition

☒ Request for item to be placed on Commission's Agenda expeditiously

☐ Other:

INDUSTRY (Check one)

- ☐ Electric
☐ Electric/Gas
☐ Electric/Telecommunications
☐ Electric/Water
☐ Electric/Water/Telecom.
☐ Electric/Water/Sewer
☐ Gas
☐ Railroad
☐ Sewer
☒ Telecommunications
☐ Transportation
☐ Water
☐ Water/Sewer
☐ Administrative Matter
☐ Other: _____

NATURE OF ACTION (Check all that apply)

- | | | |
|--|--|--|
| <input type="checkbox"/> Affidavit | <input type="checkbox"/> Letter | <input type="checkbox"/> Request |
| <input type="checkbox"/> Agreement | <input type="checkbox"/> Memorandum | <input type="checkbox"/> Request for Certification |
| <input type="checkbox"/> Answer | <input type="checkbox"/> Motion | <input type="checkbox"/> Request for Investigation |
| <input type="checkbox"/> Appellate Review | <input type="checkbox"/> Objection | <input type="checkbox"/> Resale Agreement |
| <input type="checkbox"/> Application | <input type="checkbox"/> Petition | <input type="checkbox"/> Resale Amendment |
| <input type="checkbox"/> Brief | <input type="checkbox"/> Petition for Reconsideration | <input type="checkbox"/> Reservation Letter |
| <input type="checkbox"/> Certificate | <input type="checkbox"/> Petition for Rulemaking | <input type="checkbox"/> Response |
| <input type="checkbox"/> Comments | <input type="checkbox"/> Petition for Rule to Show Cause | <input type="checkbox"/> Response to Discovery |
| <input type="checkbox"/> Complaint | <input type="checkbox"/> Petition to Intervene | <input type="checkbox"/> Return to Petition |
| <input type="checkbox"/> Consent Order | <input type="checkbox"/> Petition to Intervene Out of Time | <input type="checkbox"/> Stipulation |
| <input type="checkbox"/> Discovery | <input checked="" type="checkbox"/> Prefiled Testimony | <input type="checkbox"/> Subpoena |
| <input type="checkbox"/> Exhibit | <input type="checkbox"/> Promotion | <input type="checkbox"/> Tariff |
| <input type="checkbox"/> Expedited Consideration | <input type="checkbox"/> Proposed Order | <input type="checkbox"/> Other: _____ |
| <input type="checkbox"/> Interconnection Agreement | <input type="checkbox"/> Protest | |
| <input type="checkbox"/> Interconnection Amendment | <input type="checkbox"/> Publisher's Affidavit | |
| <input type="checkbox"/> Late-Filed Exhibit | <input type="checkbox"/> Report | |

Print Form

Reset Form

ELLIS:LAWHORNE

John J. Pringle, Jr.
Direct dial: 803/343-1270
jpringle@ellislawhorne.com

November 8, 2007

FILED ELECTRONICALLY AND ORIGINAL VIA HAND-DELIVERY

The Honorable Charles L.A. Terreni
Chief Clerk
South Carolina Public Service Commission
Post Office Drawer 11649
Columbia, South Carolina 29211

RE: Application of Southern Digital Network, Inc. d/b/a FDN Communications
and NuVox Communications, Inc. for Approval of an Internal Corporate
Reorganization, **Docket No. 2007-360-C, Our File No. 528-10098**

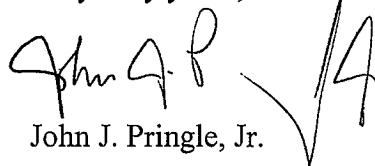
Dear Mr. Terreni:

Enclosed is the original and one (1) copy of the **Prefiled Verified Testimony of Susan Berlin** filed in the above-referenced docket.

Please acknowledge your receipt of this document by file-stamping the copy of this letter enclosed, and returning it in the enclosed envelope.

If you have any questions or need additional information, please do not hesitate to contact me.

Very truly yours,


John J. Pringle, Jr.

JJP/cr

cc: Office of Regulatory Staff Legal Department (via first-class mail service)
Susan Berlin, Esquire (via electronic mail service)
Melissa Conway, Esquire (via electronic mail service)
Enclosures

**THIS DOCUMENT IS AN EXACT DUPLICATE OF THE E-FILED COPY SUBMITTED TO
THE COMMISSION IN ACCORDANCE WITH ITS ELECTRONIC FILING INSTRUCTIONS.**

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2007-360-C

IN RE:

In the Matter of the Application of

Southern Digital Network, Inc.
d/b/a FDN Communications
and NuVox Communications, Inc.

for Approval of an Internal
Corporate Reorganization

)
)
)
)
)
)
)

**PREFILED VERIFIED TESTIMONY OF
SUSAN BERLIN**

1 **Q. Please state your name, title and business address for the record.**

2 A. I am Susan Berlin and I am Vice President – Senior Regulatory Counsel for NuVox
3 Communications, Inc., Two North Main Street, Greenville, South Carolina 29601.

4 **Q. What authority is requested by the Application?**

5 A. Southern Digital Network, Inc. d/b/a FDN Communications (“SDN”) and NuVox
6 Communications, Inc. d/b/a NuVox Communications (“NuVox”) both subsidiaries of
7 NuVox, Inc.,¹ have requested authority from the Commission to consummate an internal
8 corporate reorganization whereby SDN and NuVox will be consolidated into a single
9 operating subsidiary: NuVox. NuVox already is authorized by the Commission to provide
10 telecommunications services in South Carolina and will continue to serve its customers, in

¹ The Commission was notified of the transfer of ultimate control of SDN to NuVox, Inc. on June 20, 2007. As a result of the transfer of control, SDN became a wholly-owned subsidiary of FDN, LLC, which is a wholly-owned subsidiary of NuVox, Inc. NuVox is a wholly-owned subsidiary of Gabriel Communications Finance Company, which is a wholly-owned subsidiary of NuVox, Inc.

1 addition to the former customers of SDN, pursuant to its existing authorization. NuVox,
2 Inc. will remain the ultimate parent company of NuVox with the same ownership as at
3 present.

4 **Q. Why are SDN and NuVox proposing to consolidate into a single operating**
5 **subsidiary, NuVox, under the ultimate control of NuVox, Inc.?**

6 A. The internal reorganization will simplify NuVox, Inc.'s corporate structure,
7 streamlining its operations, eliminating administrative redundancy and improving overall
8 efficiency.

9 **Q. Will the customers of SDN have an immediate impact from the change?**

10 A. No. SDN will be merged with and into its affiliate, NuVox, and the customers of SDN
11 will become customers of NuVox. For existing SDN customers, the only change will be in the
12 name of their service provider – their existing rates, terms and conditions of service will remain
13 the same. Existing NuVox customers will be unaffected by the proposed transaction. The
14 consolidation is not expected to result in any loss or impairment of service to any of the
15 customers of SDN or NuVox. Any future changes in the rates, terms and conditions of service
16 will be made pursuant to Commission requirements.

17 **Q. Are you working within a deadline to have the transaction approved?**

18 A. Yes. Due to the timing of the Applicants' business plans, it is respectfully requested that
19 the Commission take any action necessary to approve this Application at its earliest convenience
20 and, in any event, no later than *December 1, 2007*.

21 **Q. Please describe the overall operations controlled by the parent company, Nuvox,**
22 **Inc.**

1 A. NuVox, Inc. is a privately-held Delaware corporation located at Two North Main Street,
2 Greenville, South Carolina 29601. Through its operating subsidiaries, NuVox, Inc. has
3 operations in 48 markets throughout 16 contiguous Midwestern and Southeastern states. The
4 company is a rapidly growing facilities-based integrated communications provider of voice and
5 data telecommunications services to business customers.

6 NuVox, Inc.'s subsidiary, NuVox, a Delaware corporation, provides interexchange and
7 competitive local exchange telecommunications services in the following states: Alabama,
8 Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina and
9 Tennessee. In South Carolina, NuVox Communications provides competitive local exchange
10 and interexchange telecommunications services.² NuVox will continue to provide
11 telecommunications services pursuant to its existing authorization following the reorganization.

12 **Q. Who are the significant private investors behind Nuvox, Inc.?**

13 A. Currently, the following two (2) investors hold 10% or more of the total outstanding
14 stock of NuVox, Inc.: (1) M/C Venture Partners, through various stockholders (28.1%); and (2)
15 NSHI Ventures LLC (11.5%). However, the ownership of NuVox, Inc. will not change as a
16 result of the reorganization.

17 **Q. Describe for us the current operations of the subsidiary to be consolidated, SDN.**

18 A. NuVox, Inc.'s subsidiary, SDN, is a Delaware corporation that provides voice and data
19 services to business customers. SDN is also authorized to provide interexchange and
20 competitive local exchange telecommunications services in the following states: Alabama,

² See Order No. 98-395, Docket 98-129-C on May 29, 1998, name change from State to TriVergent granted via Order No. 1999-591 on August 19, 1999 (Docket No. 98-129-C), name change from TriVergent to NuVox Communications, Inc. granted via Order No. 2001-758 on August 16, 2001 (Docket No. 98-129-C). NuVox-NewSouth merger and associated transactions approved in Docket 2004-272-C, Order No. 2004-634 on December 21, 2004.

1 Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina and Tennessee. In
2 South Carolina, SDN is authorized to provide competitive local exchange and interexchange
3 telecommunications services.³ SDN will be merged out of existence as a result of the
4 consolidation; thus, SDN voluntarily surrenders its telecommunications authorization effective as
5 of the closing date of the consolidation.

6 **Q. How will the consolidation take place?**

7 A. The consolidation of the operating subsidiaries of NuVox, Inc. in South Carolina into a
8 single entity, NuVox, is anticipated to occur via the merger of SDN with and into NuVox, with
9 NuVox remaining as the surviving corporation and assuming all of SDN's assets and operations.
10 As a result of the reorganization, NuVox will provide service to its existing customers as well as
11 the former SDN customers pursuant to NuVox's existing authorization. NuVox will remain
12 wholly owned by NuVox, Inc. The closing of the transaction will be contingent upon the receipt
13 of the required regulatory approvals among other things.

14 **Q. What notice of the consolidation will SDN customers receive?**

15 A. To ensure a seamless transition and avoid customer confusion or inconvenience, NuVox
16 will provide advance written notice to the affected customers at least thirty (30) days prior to the
17 transfer, explaining the change in service provider in accordance with applicable FCC and
18 Commission requirements for changing a customer's presubscribed carrier. A copy of the
19 notification letter that will be sent to affected customers is appended to the Application as
20 Exhibit C.

21 **Q. How will Nuvox handle the existing tariffs of SDN?**

³ See Docket No. 2004-89-C, Order No. 2004-350, September 30, 2004.

1 A. NuVox will file amended tariffs to include both all grandfathered legacy SDN services
2 and all legacy SDN services that will continue to be marketed in the future by NuVox. After the
3 tariffs are filed and the reorganization is consummated, SDN will cancel or withdraw its tariffs.
4 Thus, the customers to be transferred from SDN to NuVox will not experience any change in
5 their telecommunications services. The only change will be their new service provider: NuVox.

6 **Q. Is the proposed internal consolidation in the public interest?**

7 A. Yes, it is. The proposed internal reorganization will serve the public interest. As noted
8 above, the reorganization will generally be transparent to customers and will have no adverse
9 impact on them. Existing SDN customers will be properly notified of the change in their service
10 provider from SDN to NuVox and will continue to receive the same services at the same rates,
11 terms and conditions of service. The reorganization will be entirely transparent to existing
12 NuVox customers who will continue to be served by NuVox. The proposed consolidation will
13 provide significant reductions in legal, accounting and tax administrative burdens and will
14 simplify the NuVox, Inc. companies' corporate structure, eliminating administrative redundancy
15 and improving the companies' overall efficiency, thereby enhancing the company's ability to
16 compete in South Carolina and elsewhere. Over time, consumers in South Carolina will benefit
17 from a greater number of product and service options as well as more efficient prices resulting
18 from the enhanced ability of the streamlined company.

19 **Q. Does this complete your testimony at this time?**

20 A. Yes, it does.

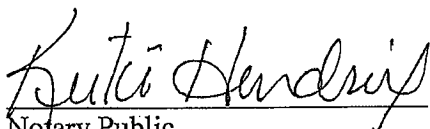
VERIFICATION

I, Susan Berlin, am Vice President – Senior Regulatory Counsel for NuVox, Inc. and NuVox Communications, Inc. I am authorized to represent them and their affiliates and to make this verification on their behalf. The statements in the foregoing Pre-filed Testimony relating to NuVox, Inc. and its affiliates, except as otherwise specifically attributed, are true and correct to the best of my knowledge and belief.

I declare under penalty of perjury that the foregoing is true and correct.



Subscribed and sworn to before me this 7th day of November 2007.


Notary Public

My Commission expires: 05-12-2014